

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 2785/June 9, 2015

ADMINISTRATIVE PROCEEDING  
File No. 3-16498

In the Matter of

RUSSELL C. SCHALK, JR.

ORDER FOLLOWING PREHEARING  
CONFERENCE

The Securities and Exchange Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings (OIP) in this matter on April 17, 2015. According to the OIP, Respondent submitted an Offer of Settlement, which the Commission determined to accept, and consented to disgorgement of \$1,472,959, prejudgment interest of \$280,271.55, and a third-tier civil penalty of \$1,600,000. OIP at 13. The OIP orders additional proceedings to determine Respondent's ability to pay.

A prehearing conference was held today, attended by the Division of Enforcement and Mr. Schalk. By June 16, 2015: (1) the Division shall file a declaration of service establishing service on Mr. Schalk; and (2) Mr. Schalk shall send a letter to my Office at [alj@sec.gov](mailto:alj@sec.gov), copying the Division, stating whether he wishes to proceed by hearing or by motion.

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James E. Grimes  
Administrative Law Judge